

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
November 17, 2003**

The Board of Supervisors of Maricopa County, Arizona convened in Informal Session at 9:00 a.m., November 17, 2003, in the Board of Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Fulton Brock, Chairman, District 1; Andy Kunasek, Vice Chairman, District 3; Don Stapley, District 2, Max W. Wilson, District 4, and Mary Rose Wilcox, District 5 (arrived late). Also present: Norma Risch, Deputy Clerk of the Board; Shirley Million, Administrative Coordinator; David Smith, County Administrative Officer; and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: (aye-no-absent-abstain).

DISCUSSION REGARDING THE FORMATION AND TRANSITION TO SPECIAL HEALTH CARE DISTRICT

David Smith, County Administrative Officer
Sandi Wilson, Deputy County Administrator
Chris Keller, Division Chief, Division of County Counsel

David Smith said that all of the senior staff had been working since November 5, 2003, to identify issues that are before the Board of Supervisors with regard to the transition, which should take place no later than Jan 1, 2005. Determination was made that the first thing would be to get an inventory of all the known issues. There may be new issues that arise that are unknown at this time and may be uncovered as it moves forward. The second thing to cover is the schedule in handling these issues. A dozen or so meetings are planned to discuss them and the initial meeting will cover the formation of the district. There would need to be discussions on what resources will be set aside for working the district issues. Mr. Smith said that the Speaker of the House and his staff, made it very clear during discussions on the bill that the Legislature intended for the Board of Supervisors to be the interim District Board for the Special Health Care District until the election of it's own Board in November 2004. (ADM2100-005)

DISCUSSION AND REVIEW OF BYLAWS OF HOSPITAL AND HEALTH SYSTEM BOARD OF DIRECTORS

David Smith, County Administrative Officer
Sandi Wilson, Deputy County Administrator
Chris Keller, Division Chief, Division of County Counsel

A Special Health Care District (SHCD) Transition Guiding Principles and Main Issue List were distributed.

The first item on Main Issue list is the creation and formation of the SHCD. In April 2004, the candidates for the District Board will receive election packets, and petitions would be due for those wishing to run for election to the Board, by August 4, 2004.

Supervisor Stapley reiterated that the Board of Supervisors want to move quickly to form the district and to implement a transitional plan to get the district up & operating as soon as possible. However, from timeline indications, finalizing the operations side of it would take six to seven months, targeting July 2004 to begin the operation of the new district as a district. He assumed all the transfers would be completed at that time, and was told this was correct, depending on the number of necessary steps to make that happen. Those steps depend on the transfer date.

Supervisor Stapley asked about the ability to levy a tax and how it works. There is only one shot a year, how does that work, will this timeline allow for that? The statute does allow Maricopa County to advance

funds to the district, and that is one of the reasons why we have an IGA.

Supervisor Wilson pointed out that Maricopa County Board of Supervisors do have the opportunity to reduce services or do what is necessary to make adjustments before they implement tax. Yes, however the statute does have provisions that require certain maintenance of efforts for the first 10 years, including maintaining the location of Maricopa Medical Center. There are certain base levels that you cannot sink below that were in the statutes.

AMENDMENT OF HOSPITAL AND HEALTH CARE SYSTEM BOARD BYLAWS APPROVED

The Board expressed the intention of taking a strong roll in the day to day running of the operation, which would re-vest the responsibility for the day-to-day operations of Maricopa Integrated Health System back to the Board of Supervisors. Revised Bylaws were distributed. Chairman Brock said that the Board of Supervisors have been discussing scaling down the citizen input on the Hospital and Health System Board of Directors and redefine the role played by the Hospital Board and the Supervisors reassume authority for the major issues. He stated that it was hoped that those citizen members wishing to continue applying their expertise would continue their work during the transition.

Discussion ensued on whether disbanding the Hospital and Health System Board of Directors would affect the accreditation process. Chris Keller said there would need to be a second amendment to the Bylaws to make sure that all requirements have been met. (Refer to Article 3 section 9)

Shawn Nau stated that the revised Bylaws put the Board of Supervisors in the role of the Governing Body and the Chairman would chair both bodies. They also allow the Chair of the Board of Supervisors to appoint additional members to the Professional Practices Committee (PPC).

Supervisor Kunasek asked if the PPC will be an advisory board to the Board of Supervisors, and if they have the authority to make final decisions. Mr. Keller responded that the PPC would make recommendations to the Board of Supervisors and the Board of Supervisors, acting as the Governing Body of the Health System, will make the final decisions.

Chairman Brock opened the meeting up to comments from the Hospital and Health System Board of Directors.

Merwin Grant, member of the Hospital and Health System Board of Directors, had three questions/comments. #1. Timing; when do you want to transition from the Hospital Board of Directors to the Board of Supervisors? #2. Timing of Transition; the Board of Directors will be happy to continue to help until the Board of Supervisors can take over the role as Governing Body. #3. Issues relating to conflict of interest; how will you address issues such as assets when you are playing both roles: role of Maricopa County Board of Supervisor and as role as interim Hospital Board, without having conflict of interest due to opposing financial ramifications?

He said that the suggestion of having an interim advisory board is not necessary and would create extra work, extra meetings and more time to move the process along. Supervisor Stapley suggested involving non-voting members (possibly from the Hospital and Health System Board of Directors) to confer with the Board of Supervisors on important decisions.

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
November 17, 2003**

Chairman Brock inquired about conflicts of interest if the current Hospital and Health System Board of Directors run for the new District Board.

Bill Sims stated that there is a clear provision in the statute that states anyone running for the newly elected District Board in the fall of 2004, cannot be an elected official. They would have to resign by the spring of 2004, or whenever the election packets are sent out. By abolishing the Hospital and Health System Board of Directors today, those members are no longer considered to be an elected official and would be eligible to run.

The Chairman asked if members of the PPC as an advisory committee of the Board of Directors would be eligible to run for the District Board. The response was that it would be legal to do so because someone sitting on an advisory board is not considered an elected official.

Suggested language for Item #3 is that the Maricopa County Board of Supervisors Chairman may appoint non-voting members chosen from the Hospital and Health System Board of Directors and the Citizen's Taskforce, to attend and confer with the Board of Supervisor members, in meetings dealing with the creation of the Special Health Care District, and the transfer of assets to the district. During that time the Board of Supervisors sits as the interim District Board. Article 7, Section 4 of the Bylaws covers this.

Supervisor Wilcox asked if advice on the budget would come from hospital people or County people. Supervisor Stapley responded that he envisioned it as being similar to what is done for the other districts, who have their own attorney and which would simplify issues such as budget and disprop share fund issues.

Bill Sims clarified that this amendment does not legally abolish the Maricopa Hospital and Health System Board of Directors but simply rescinds their power to amend the Bylaws of the Board and puts the Board of Supervisors into that capacity.

Motion was made by Supervisor Stapley, seconded by Supervisor Wilcox, and unanimously carried (5-0) to approve the amendment of the Hospital and Health Care System Board Bylaws as presented to the Board of Supervisors. (Copy on file in the Office of the Clerk of the Board.)

DISCUSSION REGARDING COMPREHENSIVE FEE STUDY PERFORMED FOR THE DEPARTMENT OF PUBLIC HEALTH

Presentation regarding the results of a comprehensive fee study performed for the Department of Public Health. (C8604020M) (ADM2150)

Bruce Smith, Deloitte Consulting

John Ahl, Public Health Department

Sandi Wilson sat in on this discussion for David Smith

~ Supervisors Brock and Wilcox left the meeting ~

John Ahl reported that the last fee change implemented by the department had been done in 1998 and it was important at this time to review and update them.

Bruce Smith's presentation included a handout and slides. Project goals were set as follows:

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
November 17, 2003**

- Update the fees charged by MCDPH for services.
- Recover the costs associated with service delivery in selected areas
- Insure that costs are "traceable" and, therefore, defensible.
- Compare costs to other jurisdictions for reasonableness.
- Provide a mechanism or tool so MCDPH can analyze costs and update fees on an ongoing basis.

Mr. Smith said that the Board of Health and the Board of Supervisors have the authority to approve the charging of set service fees. He indicated that fees are not to exceed actual costs. He said that the existing fee structure has worked for the County since 1998 and Deloitte has been hired to update the 1998 fee schedule to reflect FY 2003-04 budget and demand. He reviewed the methodology used to determine areas for collection and calculated costs. Mr. Smith also addressed a list of assumptions used to include in all areas of cost. New services were defined for group vaccinations, foreign travel consultations and adult immunization visits. Vaccination administration was separated into two parts: a set-up charge and then a per vaccination charge.

~ Supervisor Wilcox entered the meeting ~

Discussion ensued on several aspects of this matter including how overhead is figured, vaccinations, and giving physical exams to assure ability to work.

~Supervisor Brock entered the meeting ~

Mr. Ahl said that billing was an informal process and patients are allowed to pay what they can afford. He added that their physical exam was low-cost and cheaper than they could get from a doctor. He explained that costs are kept low and based on costs because they don't want to do anything to deter people from coming in for help.

Sandi Wilson said that Management is very supportive of what Deloitte has done and they encourage all departments to do this on an annual basis.

EXECUTIVE SESSION CALLED

Pursuant to A.R.S. 38-431.03, motion was made by Supervisor Kunasek, seconded by Supervisor Stapley, and unanimously carried (5-0) to recess and reconvene in Executive Session to consider items listed on the Executive Agenda dated November 17, 2003, as follows.

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION -- A.R.S. §38-431.03(A)(3) AND (A)(4)

1. **Compromise Cases** – James Bolen, John Greathouse, Nicholas Hernandez, Regina Morago, Tina Parkinson, Shanna Rashad, David Robles.
Barbara Caldwell, Outside Counsel
2. **Write-Off Cases** – Jeffrey Michael Sherman, Antonio Joseph Altamirano, Clarence E. Baker, Jeremy M. Cole, Albert C. Eldridge, Jr., Jason Jevon Epeert, Thomas A. Haas, Thomas Wm.

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

INFORMAL SESSION

November 17, 2003

Hill, Janice Denise Irvin, John Edward Kelly, Richard Lee Law, Joseph S. Lily, Ryan A. McBee, Roy R. Sanchez, Bradley Zetterlof, Carlos L. Chavez, Jason Leonard, Jason Leonard, Jason Leonard, Lorraine F. Smith.
Barbara Caldwell, Outside Counsel

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION -- A.R.S. §38-431.03(A)(3) AND (A)(4)

3. Helene Abrams v. Maricopa County

Christopher Keller, Chief Counsel, Division of County Counsel
Mary Cronin, Deputy County Attorney, Division of County Counsel
Martin Demos, Deputy County Attorney, Division of County Counsel
Barbara Wiess, Government Affairs Officer

SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION -- A.R.S. §38-431.03(A)(4)

4. Chandler Regional Medical Center, Arizona Burn Center, et. al. v. California Department of Health Services (Medic-Cal)

Louis Gorman, Deputy County Attorney, Division of County Counsel
Pat Walz, Chief Financial Officer, Maricopa Integrated Health System

MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned.

Fulton Brock, Chairman of the Board

ATTEST:

Norma Risch, Deputy Clerk of the Board